

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION**

Mortgage Industry Advisory Board

BOARD MEETING MINUTES

ROLL CALL

March 14, 2012

Present:

Tim Ross (via telephone)
Allan Daniels
Michael Kus
Mark Jansen
Nicole Nahodil (via telephone)
Michael Winks
Pava Leyrer

OFIR Staff:

Diane Lane
Mark Weigold
Brenda Gardner
Kirt Gundry
Barb Streffling
Steve Hilker (via telephone)

Call to order @ 8:35am

- Approval of Board Meeting Minutes from 11/2/11 Meeting as amended, motion to approve, seconded, and approved
- Approval of Agenda for 3-14-12 Meeting – seconded and approved

OFIR & Industry Updates:

- OFIR Reorganization successfully places Consumer Finance back together by re-joining the Mortgage Examination and Investigation Section (MEIS) and creating a new Division
- Staff Updates: Introduction of new staff from OFIR; Brenda Gardner - new Consumer Finance Licensing Unit Manager; Barb Streffling - new Consumer Finance Division Deputy Commissioner; Stephen Hilker – new Chief/Senior Deputy Commissioner overseeing Consumer Finance Division, Bank & Trust Division and Credit Union Division
- Heidi White – MEIS Region 1 Manager, will be leaving OFIR April 6, 2012, for employment with the Consumer Financial Protection Bureau (CFPB)
- 2008 and 2009 MIAB Meeting Minutes have been removed from the OFIR Website; they are still available by FOIA; send a written request to: OFIR, Consumer Finance Section, PO Box 30220, Lansing MI 48909
- Current Licensee Population/Statistics include:
 - MLOs – 4325 (some are “Approved- Inactive” because they are not currently sponsored)
 - CFS Licensees - 16
 - 1st Mortgage Licensees - 424; 1st Mortgage Registrants - 156 Total: 580
 - 2nd Mortgage Licensees - 3; 2nd Mortgage Registrants - 209 Total: 212

- 2011 Annual Reports and Financial Statements:
 - OFIR Annual Report FIS 1077 (OFIR Website) has been streamlined
 - OFIR Form FIS 1076 and NMLS MCR Financial Condition via NMLS; revisions coming to the NMLS report in April; noted that there is no “other income” category available at this time; OFIR is aware that the report is still new and will continue to work with the industry regarding enforcement restraint; OFIR will be reviewing the reports during audits

Mortgage Loan Originator Licensing Act – MLOLA:

- SB-0908, unanimously (36-0) passed the Senate, March 1, 2012, the House will vote soon

ORR – Insurance and Finance Advisory Rules Committee Update:

- Release of Report/Recommendations/Bill Introductions/Administrative Actions
- Presentation by OFIR to Joint House Insurance/House Banking Committee 3/15/12 10:30 am

MIAB Issues:

- Board Terms will be expiring May 19, 2012, for Tim Ross, Pava Leyrer, Mike Winks, and Allan Daniels; Tim Ross will not be seeking re-appointment; contact will be made to MMLA for nominations to replace Tim Ross; previous applicants submitted by the MMLA will also be contacted to see if there is still interest; nomination names need to be submitted to Mark Weigold as soon as possible; the position is a four year term and applicants must be vetted by the Governor’s Office
- No new information regarding the status of the possible MMLA/MMBA merger; there may need to be new language added in the statute to allow for changes if this occurs.

Licensing/Compliance/Examination/Enforcement Discussion:

- 2011 Examination Statistics include:
 - 134 Exams
 - 747 Investigations; 509 of those were company and MLO related
- 2012 Examination Expectations:
 - Approximately 200 exams are expected to be performed this year
 - Working towards examining all mortgage companies on a 3-year cycle
- A list of the “Top Ten Issues” discovered during Exams has been compiled and will be forwarded to Allan Daniels to be distributed to Board members
- The number of loans pulled at an exam is at the discretion of the Examiner in Charge (EIC)
- Continuing Education for MLOs is verified by the Licensing Section
- Discussion on what criteria is used in how exams are scheduled; involved risk assessments, complaints and unlicensed activity; exams are scheduled three months ahead at a time
- OFIR Mortgage Seminars will now be held one time per year; the next one is scheduled on April 26, 2012, at Lansing Community College; subjects to be covered include: Licensing; Exams; Consumer Complaints; suggestions will be accepted from board members via email; email notifications announcing the seminar will be sent by OFIR to board members, trade associations and mortgage companies

- Seller Financing discussion regarding the possibility of some uncertainty in the industry about compliance; HUD/SAFE Act has released no new interpretations since June 2011; FAQs were removed from the OFIR website due to changes relating to land contracts; board members were invited to submit suggested questions for new FAQs to be created; MIAB will consider requesting an interpretation from OFIR
- Unlicensed Activity discussion regarding how to report unlicensed brokers & lenders to OFIR
- Consumer Financial Protection Bureau (CFPB) was discussed as it begins operation

NMLS – Discussion/Comments/Questions/Concerns:

- 2 OFIR staff members attended the NMLS Conference from February 6-9, 2012, in Scottsdale, AZ
- April update scheduled for Regulators in NMLS
- Public Access “Disclosable” Regulatory Actions; Denials – the same Final Orders that are posted on OFIR website are now posted in NMLS
- Future enhancements to system include ability to add additional licensing programs; Deferred Presentment companies; Money Transmitters; and other Consumer Finance programs

Development of a Model Policy/Guidance for Licensees:

- Discussion regarding concerns for Non-Depositories and the awareness of FINCEN’s Final Rule for the Anti-Money Laundering Program involving the appointment of a Compliance Officer (Compliance 8/13/2012)

Other Issues:

- MBA Proposal for Transitional License Period; would not be SAFE compliant at this time
- The importance of MIAB continuing to meet face-to-face quarterly

Action Items:

- Research and gather data on whether to request interpretation on Seller Financing
- Submission of item ideas for Mortgage Seminar
- List of Nominees from MMLA for MIAB vacancy

Next Meetings:

- May 30, 2012 @ 8:30am face to face

Adjourned @ 11:00am



Pava Leyrer, Secretary

Date

Diane Lane, Recording Secretary

Date